

October 23, 2015

VIA ECFS

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St., SW
Washington, DC 20554

Re: Technology Transitions, GN Docket No. 13-5; AT&T Petition to Launch A Proceeding Concerning the TDM-IP Transition, GN Docket No. 12-353; United States Telecom Association Petition for Forbearance from Certain Incumbent LEC Regulatory Obligations, WC Docket No. 14-192

Dear Ms. Dortch:

Attached is a feasibility study performed by Matrix Design Group on behalf of Xchange Telecom LLC, in December 2009. We performed this feasibility study in Borough Park, a neighborhood in Brooklyn, NY, to examine whether it would make economic sense, as a CLEC, to install our own fiber-to-the-premises (FTTP) network in one of our dense customer areas. As you can see from the study, it was not commercially feasible for Xchange to replace our ILEC-leased UNE network with our own FTTP network, as it would have cost us close to \$37M to build such a network. Even with our then-customer base in the service area of over 8,000 customers, and a reasonable expectation of 15,888 customers over 10 years, it would have cost an average of \$2320 to acquire each customer. Considering that the cost of constructing such a network would be more than 50 times the average monthly revenue, it did not make commercial sense to deploy such a network.

In addition, based on research done by our engineers, current costs and assumptions would likely drive the CAPEX to closer to \$55M.

It has always been the policy of the FCC to encourage competition. This is the reason why the FCC has consistently mandated that the ILEC share its network with CLECs, and lease UNE loops and platforms. The assumption has been that when a CLEC reaches enough market density, it could compete directly with the ILEC by constructing its own network. As the attached study shows, it is impossible for a CLEC to build such a network in an urban environment.

We ask that the Commission take into consideration the fact that CLECs such as Xchange rely on both UNE loops and platform wholesale programs such as Verizon's Wholesale Advantage to effectively compete with the ILEC. If competition is not preserved when the ILEC converts its network to fiber technologies, both in the

Marlene Dortch, Secretary

October 23, 2015

Page 2

UNE loop realm and in the platform products, the CLECs will be forced to exit the market. This market disruption will only result in increased price to consumers and decreased competition.

We ask that the Commission preserve the state of competition in any further order.

Sincerely,



Mordy Gross

General Counsel

Xchange Telecom LLC

mgross@xchangetele.com